



Shell Canada Limited

Statement under Fighting Against Forced Labour and Child Labour in Supply Chains Act

for financial year ending
31 December 2023

#PoweringProgress

Shell Canada Limited (SCL) has prepared this Statement in consultation with each of its reporting entities listed below and is published by those same reporting entities in compliance with the Act. SCL is further wholly owned by Shell plc directly, which directly and indirectly owns investments in separate Shell legal entities around the globe, including SCL. In this report, “Shell”, “Shell Group” and “Group” are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general, including SCL and its reporting entities. Likewise, the words “we”, “us” and “our” are also used to refer to Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this report refer to entities over which Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as “joint ventures” and “joint operations”, respectively. “Joint ventures” and “joint operations” are collectively referred to as “joint arrangements”. Entities over which Shell has significant influence but neither control nor joint control are referred to as “associates”. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

Relevant Legal Entities covered by this report:

Shell Canada Limited

10084751 Canada Limited

1745844 Alberta Ltd.

Shell Global Solutions Canada Inc.

Shell Canada BROS Inc.

7026609 Canada Inc

Shell Canada OP Inc

SFJ Inc

SCL Pipeline

Shell Quebec

7645929 Canada Limited

Shell Energy North America Canada Inc



Introduction

Shell is opposed to all forms of modern slavery. Such exploitation is against Shell's commitment to respect human rights as set out in the Universal Declaration of Human Rights and the International Labour Organization's 1998 Declaration on the Fundamental Principles of Rights at Work.

This report is published for Shell's entities in Canada to comply with Canada's Act to fight against forced labour and child labour in supply chains. This submission sets out the measures Shell has taken against modern slavery in our business and supply chains.

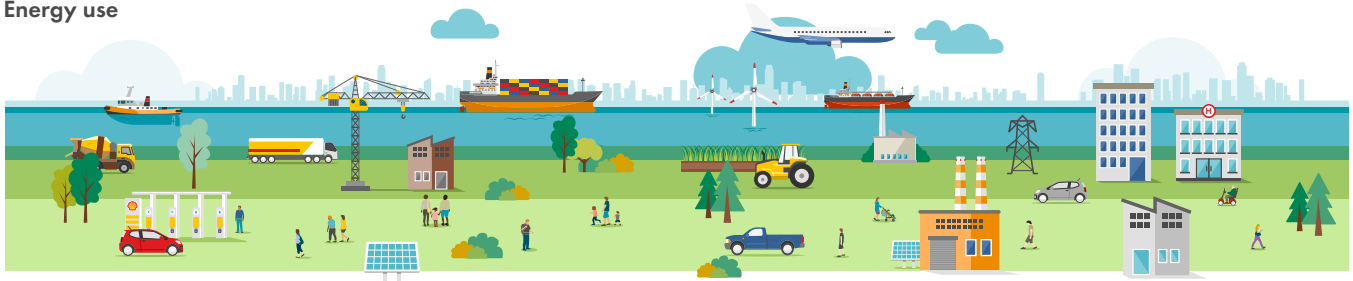
Shell Canada: business and supply chains

Shell's Canadian operations fall under one of two global businesses: Integrated Gas and Upstream and, Downstream, Renewables and Energy Solutions. Projects & Technology manages the delivery of Shell's major projects and drives our research and innovation. Each of these organizations have supply chains that provide labour, goods, and services. Shell Canada employs more than 3,300 people.

Shell Canada business activities

At December 31, 2023

Energy use



Customer sectors



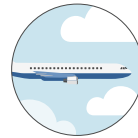
Mobility



Commercial road transport



Marine



Aviation



Industrial



Commercial

Supporting the delivery of integrated energy solutions

Energy solutions



Fuels



Lubricants



Chemicals



Biofuels



Electricity



Hydrogen



Natural gas



Liquefied natural gas

Value enhanced by trading and optimization

Assets and capabilities

People



Energy and chemicals parks



LNG



Transport



Power



Renewables



Oil



Gas

Carbon offsets

Technology and operational excellence

Shell Canada's organization

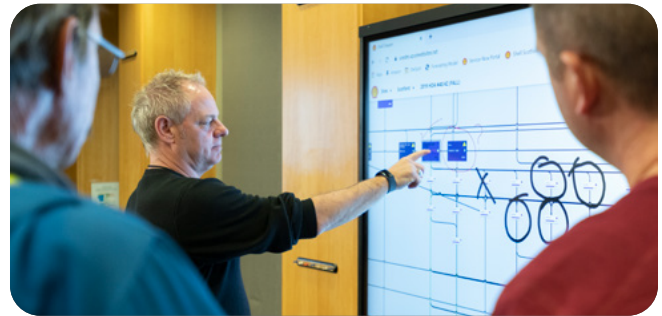
Integrated Gas and Upstream

Integrated Gas and Upstream (IGU) explores for and extracts crude oil, natural gas and natural gas liquids. It delivers hydrocarbon products from conventional oil and gas operations, and liquefied natural gas (LNG) activities. The marketing, trading and optimization of LNG are included in IGU. IGU provides the secure energy customers need.



Innovation

Technological innovation is integral to our pursuit of more and cleaner energy solutions as we work towards becoming a net-zero emissions energy business by 2050. Projects & Technology (P&T) manages major projects, driving innovation, while delivering technical services to our businesses. P&T provides essential functional leadership across Shell, addressing safety and environment, contracting and procurement, and greenhouse gas emissions management. Our research and development activities also encompass safety, performance products, and automation and artificial intelligence.



Downstream, Renewables and Energy Solutions

Downstream, Renewables and Energy Solutions (R&ES) provides products and services to business and individual customers. It includes Chemicals and Products, and Marketing, which includes Mobility – a business that serves retail customers at over 1,500 sites throughout Canada. Marketing also includes Lubricants, and Sectors and Decarbonization activities. Downstream and R&ES, underpinned by Trading and Supply, aims to meet the evolving energy needs of our customers.



Procurement

Our procurement team is responsible for providing goods and services to support our Canadian operations leveraging our global supply chains. The team aims to develop and strengthen relationships with contractors and suppliers who are committed to the Shell Supplier Principles or to equivalent standards through their own activities and the management of their own suppliers and subcontractors. Each of Shell's contractors and suppliers has its own supply chain and we recognize that each level in the supply chain is responsible for ensuring compliance with all applicable laws and regulations and for respecting human rights.



Our values and policies

We recognize our responsibility to respect human rights in all aspects of doing business and have embedded human rights in the Shell General Business Principles, Shell Code of Conduct, and the Shell Supplier Principles.

Our approach is informed by the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the 1998 Declaration on the Fundamental Principles of Rights at Work of the International Labour Organization (ILO), which covers; freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

Our contractors and suppliers are required to conduct their activities in a manner that respects human rights as set out in the UN Universal Declaration of Human Rights and the core conventions of the ILO. The Shell Supplier Principles further clarify the expectations we have from our suppliers and contractors on labour and human rights, including (but not limited to):

- no use of child labour;
- no use of forced, prison or compulsory labour;
- no payment of recruitment fees by workers;
- compliance with all applicable laws and regulations on freedom of association and collective bargaining;
- a safe, secure and healthy workplace and not tolerating discrimination, harassment or retaliation; and
- compliance with all applicable laws and regulations on working hours.

All Shell companies and Shell-operated joint ventures must comply with local legislation and regulations and must conduct their activities in line with the Shell General Business Principles and our core values of honesty, integrity and respect for people. When entering a joint venture operated by a partner, we expect them to apply standards, processes and principles that are materially equivalent to our own.

To date there have not been any reported incidents of forced labour or child labour in Shell Canada's supply chains. As a result, no financial nor other remediation has been required.



// **All Shell companies and Shell-operated joint ventures must comply with local legislation and regulations.**

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Approach to human rights



Human rights and the workplace

We respect our employees' and contractors' rights, including freedom from forced labour and non-discrimination by working in line with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UN Global Compact.

Human rights and communities

Our activities can impact the communities where we operate. Through careful project design and responsible management we aim to minimize those impacts and avoid human rights infringements. We do this in line with the International Finance Corporation's Performance Standards and the UN Guiding Principles on Business and Human Rights. We work with local communities to jointly identify solutions and opportunities.

Human rights and security

Shell aims to keep staff and facilities safe while respecting the human rights and security of local communities. We carefully assess the security threats and risks to our operations and work with governments and partners to provide a secure working environment. Shell only uses armed security in countries where the threats are most severe, or if it is a requirement under local laws.

Human rights and supply chains

The Shell Supplier Principles outline what we expect from contractors and suppliers in areas such as human rights. This includes ensuring no use of forced, prison or compulsory labour or payment of recruitment fees by workers. The principles also ensure a safe, secure and healthy workplace for staff and contractors and payment of wages that meet or exceed national legal standards.

Risk assessment

Supply Chains

Shell assesses supply chain labour risk based on country and category risk. Supply chain country risk is derived from external indices that indicate the risk of modern slavery both in country, as well as for migrant workers. Supply chain category risk has been determined by analysis of typical contract work-scopes, identifying those such as services where there may be higher risks of unethical labour practices in the recruitment of migrant workers by contractors or agents working on their behalf. Shell continues to strengthen its risk assessment to identify risks of modern slavery in our supply chains or where mitigations may be needed in our businesses, including in areas of new business development. Regardless of contracts being global, country specific or local/regional, the same rigor and processes are consistently applied to supply chain assessment.

Due diligence

We recognize the role of counterparty due diligence in bringing our commitments to life. Across Shell and in our supply chains, all direct suppliers undergo pre-contract screening, and this includes screening against sanctions lists and adverse media checks where reports of modern slavery and human rights abuse could be identified.

Our manual on worker welfare in our management system, the Health, Safety, Security, Environment & Social Performance (HSSE & SP) Control Framework, defines the steps we take with our suppliers to assess and mitigate labour rights risks, including those of modern slavery. The manual requires an assessment of worker welfare risks.

In our procurement contracts, contractors and suppliers agree to adhere to the Shell General Business Principles, the Shell Supplier Principles and the Shell Code of Conduct. Suppliers are required to comply with all applicable laws and regulations and agree to provide and maintain safe and healthy working conditions for all supplier personnel.

Downstream Retail

In our Downstream retail business, agreements with retailers, dealers and wholesalers require such counterparties to abide by all local laws and regulations and require at least an awareness of Shell's General Business Principles and Code of Conduct and, in some cases, compliance with those documents. In our other Downstream retail businesses, we seek to require counterparties to comply with all local laws and regulations as well as Shell's General Business Principles and Code of Conduct or an equivalent of the same.

Trading

In Shell Energy North America Canada Inc, the assessed risk of child labour and forced labour are low due to the nature of the business. Our supply chains and the associated regulations are thoroughly understood and comply with local requirements.

All contracts contain terms that embed regular performance reviews where the Control Framework (shown on next page) is assessed for compliance which is an integral part of ongoing supplier performance management processes.



Health, safety, security, environment and social performance control framework

The HSSE & SP Control Framework defines mandatory standards, requirements and accountabilities. The framework applies to Shell entities and Shell-operated ventures, including employees and contractor staff.

Mandatory manuals describe:

- Purpose of the manual
- Accountabilities and responsibilities
- Scope
- Requirements to be met

HSSE & SP Management System



Process Safety



Security



Contractor HSSE Management



Health



Environment



Product Stewardship



Projects



Personal Safety



Social Performance



Transport



Resources



Effectiveness and performance management

Through our procurement team's supplier qualification process, contractors or suppliers may be subject to on-site audits, which could be announced or unannounced, and which may be performed by either Shell personnel or third-party auditors.

In addition, we run Health, Safety, Security, Environment & Social Performance Control Framework audits (self-assessments, peer reviews and independent audits) to verify compliance with our business principles and worker welfare standards.

In 2023, we launched a new internal reporting mechanism, as part of our existing health and safety reporting system, to allow both staff and contractors at site to raise worker welfare concerns.

We investigate allegations of practices running contrary to the Shell Supplier Principles that are raised with us. These may result in suppliers being required to develop corrective action plans backed up by on-site

audits. In addition, our model procurement contract allows for termination with immediate effect if suppliers breach Shell General Business Principles. On an annual basis, we collect performance data against internal mandatory requirements such as the Shell General Business Principles and our Code of Conduct.

Senior Shell representatives are required to confirm such performance data where Shell is the operator or has a controlling interest.

We report annually through our global Sustainability Report the percentage of countries in which we operate where we have procedures in place to prevent child labour and forced labour, and for 2023 reported 100%.

Shell has specialists who investigate concerns or allegations about a breach of our Code of Conduct. If a violation is confirmed, we take appropriate action up to and including contract termination or dismissal. We maintain a stringent, no-retaliation policy to protect any person making a good faith allegation.

Training

With limited exception, Shell staff undertake regular refresher training on our Code of Conduct and associated Ethics and Compliance policies.

Training participation is documented, repetition cycles are clearly defined, and follow-up is automated. Both the Code of Conduct and Shell General Business Principles are available on our website.

As described above, attention to Modern Slavery and related human rights issues are an integral part of our contracting and procurement process. There is training provided for contract personnel to gain visibility on up-to-date accurate supplier information. Following the completion of assessments on their suppliers, our staff who manage contracts with a higher labour rights risk may be given individual coaching and support on how to manage supplier corrective action plan.

Shell employees managing contracts with higher labour risk exposure need to complete mandatory human rights training. Of the 1,750 globally nominated employees 94% of them had completed this training by the end of 2023. In addition, we encourage all employees to complete the course regardless of their role, to build greater understanding of human rights across Shell.



Looking ahead

At Shell, our business principles guide how we go about delivering our strategy, Powering Progress. These principles, which are based on our core values of honesty, integrity and respect for people, embed the steps we take to safeguard against forced labour in our business and supply chains.

We continue to make progress and remain committed to enhancing our efforts in this area. We must continue to learn and adjust our approach where necessary. We will listen, learn and collaborate with industry associations, governments, NGOs and our contractors and suppliers. For 2024 this means we will:

- Continue to have honest dialogues with our contractors and suppliers.
- Learn from investigations into practices contrary to our values and policy.
- Continue to embed the HSSE & SP Control Framework practices making our efforts to guard against forced labour more effective.



Susannah Pierce
President and Country Chair
Shell Canada
May 31, 2024

*Report approved pursuant to Article 4(b)(ii) of the Act

Shell is also required to report under the

[UK Modern Slavery Act](#)

[Australia Modern Slavery Act 2018](#)

[California Transparency in Supply Chains Act](#)

For more information read our Shell.com webpages:

[Shell Powering Progress](#)

[Shell General Business Principles](#)

[Shell Code of Conduct](#)

[Shell Supplier Principles](#)

[Shell Sustainability Report](#)

[Worker welfare in Shell](#)

[Human rights in Shell](#)

[The Shell Global Helpline](#)



